PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Oak Creek Water and Sewer Utility, Milwaukee County, Wisconsin, for Authority to Increase Water Rates — 4310-WR-104

AMENDED FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Commission on the application of Oak Creek Water and Sewer Utility (Oak Creek) for approval to increase water rates. This application is APPROVED subject to conditions.

Introduction

On May 10, 2011, Oak Creek filed an application with the Commission requesting authority to increase water rates. On April 26, 2012, a hearing was held in Madison and in Oak Creek, Wisconsin, for technical issues and for public comment. On July 23, 2012, the Commission approved Oak Creek's application to increase water rates as set forth in its Final Decision (PSC REF#: 168775).

On August 13, 2012, Oak Creek filed a Petition for Reconsideration or Rehearing of the July 23, 2012, Final Decision because it did not allocate public fire protection costs to Franklin.[1] Franklin filed a Response and Counter-Petition on August 20, 2012. Franklin also sought reconsideration or rehearing on four issues: the differential rate of return between retail and wholesale customers, the allocation of 50 percent of 12-inch mains to transmission, the allocation of costs for unaccounted-for water, and the allocation of the costs of Oak Creek's expansion of its water treatment plant (PSC REF#: 170487).

[1] At its open meeting of October 3, 2012, the Commission affirmed its original decision to not allocate public fire protection costs to Franklin. On October 10, 2012, Oak Creek sought judicial review in Milwaukee County Circuit Court on the issue of fire protection costs. *City of Oak Creek v. Public Serv. Comm'n*, Case No. 12-CV-11459.

On September 25, 2012, the Commission reopened this docket under Wis. Stat. § 196.39 to reconsider the Final Decision (PSC REF#: 172957). By Order dated October 4, 2012, the Commission made a preliminary determination to modify the Final Decision by narrowing the differential rate of return between wholesale and retail customers from 180 to 100 basis points and by reclassifying 100 percent of the 12-inch water mains within the City of Oak Creek as distribution mains (PSC REF#: 173880). With the exception of the differential rate of return and allocation of mains, the Commission left intact the remainder of the July 23, 2012, Final Decision. The Commission provided a further opportunity for hearing if any party identified a reason why a hearing was required. The Commission's Order limited the hearing to the two issues that the Commission preliminarily decided to modify and required that only new evidence may be presented.

On October 10, 2012, Oak Creek requested a hearing. Franklin responded on October 15, 2012. On November 2, 2012, the Commission granted the request for a limited hearing (PSC REF#: 175824). On December 5, 2012, the parties submitted a joint agreement on a proposed schedule for pre-filed testimony and hearing set for March 12, 2013. However, on December 6, 2012, the parties filed a Stipulation and Order to Stay Proceedings in this docket. At its open meeting of January 9, 2013, the Commission denied the request and ordered the parties to proceed to the March 12, 2013, limited hearing as scheduled (PSC REF#: 179285).

On March 12, 2013, the hearing on the two issues was held. Following the hearing, Oak Creek and Franklin filed simultaneous briefs on April 5, 2013, and reply briefs on April 12, 2013. Commission staff prepared a decision matrix on April 17, 2013, which then went out to

the parties for comment on April 19, 2013. The parties filed comments on the decision matrix on April 26, 2013.

The Commission deliberated on the issues in this docket at its open meeting of May 2, 2013. The Commission finds it reasonable to adopt a differential rate of return between wholesale and retail customers of 180 basis points and to classify the 12-inch water mains within the City of Oak Creek as 46.85 percent transmission and 53.15 percent distribution.

The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. Others who appeared are listed in the Commission's files.

Findings of Fact

1. Oak Creek's presently authorized rates for water utility service are estimated to produce operating revenues of $8,237,236 for the 2012 test year, resulting in an estimated net operating income of $578,445.

2. The estimated net investment rate base applicable to water utility operations for the 2012 test year is $49,501,146.

3. The estimated rate of return on average net investment rate base at current rates for the 2012 test year is 1.17 percent, which is inadequate.

4. A reasonable increase in operating revenues for the 2012 test year to produce a 4.85 percent rate of return on Oak Creek's net investment rate base for water utility operations is $1,822,361.

5. It is reasonable to mitigate rates for retail customers by setting the retail rate of return on net investment rate base 180 basis points lower than the wholesale rate of return.

6. A reasonable composite rate of return on net investment rate base is 4.85 percent, with resulting rates of return of 4.20 percent for retail customers and 6.00 percent for wholesale customers.

7. It is reasonable to use non-coincident customer demand ratios to allocate shared costs to the various customer classes.

8. A reasonable estimate of the maximum day system demand is 12,066,187 gallons, equivalent to 1.658 times the average day demand. A reasonable estimate of maximum hour demand is 735,336 gallons, equivalent to 2.425 times the average hour demand.

9. It is reasonable to use the four-year average non-coincident wholesale customer class maximum day and maximum hour demand factors.

10. There is insufficient information in the record to support a revision of non-coincident retail customer class maximum day and maximum hour demand factors in this case. These ratios may be revised in a future rate case if data are collected to support a revision.

11. It is reasonable to allocate 46.85 percent of the 12-inch mains to transmission and 53.15 percent to distribution, which reflects the percentage of volumetric sales made to wholesale and retail customers, respectively, in the test year.

12. It is reasonable to allocate $7,826,802 of the contributions in aid of construction for transmission main.

13. It is reasonable to allocate the oversizing of transmission mains to support maximum hour flow to maximum hour cost functions.

14. It is reasonable that costs related to the 2008-2009 treatment plant expansion be shared by all customers, both retail and wholesale.

15. It is reasonable to make no adjustment for unaccounted-for water and that the associated costs be shared by all customers, both retail and wholesale.

16. It is reasonable to allocate public fire protection costs based on the method used in the 2011 Milwaukee Water Works rate case (docket 3720-WR-107).

17. A reasonable estimate of the demand of water for public fire protection is based on the populations served.

18. It is reasonable to not allocate public fire protection costs to Franklin.

19. It is reasonable to rely on the results of the final cost of service study along with other factors, including the parties' rate designs, as guides for rate design.

20. It is reasonable to authorize rates for water service as shown in Appendix D.

21. The rate changes set forth for water service in Appendix D will permit Oak Creek to earn the necessary revenue requirement and are consistent with the cost of service.

Conclusions of Law

1. The applicant is a municipal public utility as defined in Wis. Stat. § 196.01(5)(a).

2. The Commission has authority under Wis. Stat. §§ 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), 196.39, and 196.395 to authorize the applicant to increase water utility rates and revise tariff provisions.

Opinion

Applicant and its Business

Oak Creek provides retail water service to 8,847 customers in the City of Oak Creek and wholesale water service to the City of Franklin and a portion of the Village of Caledonia.

Revenue Requirement

Net Investment Rate Base

The estimated net investment rate base for the 2012 test year is as follows:

Utility Financed Plant in Service	$70,872,192
Less: Accumulated Provision for Depreciation	$19,201,194
Net Plant in Service	$51,670,998
Plus: Materials and Supplies	62,081
Less: Regulatory Liability for Pre-2003 Accumulated Depreciation - CIAC	2,231,933
Net Investment Rate Base	$49,501,146

Comparative Income Statement

The estimated test year income statement showing the effect of the increase in revenue which will result from authorized rates is as follows:

	At Present Rates	Authorized Increase	After Rate Increase
Operating Revenues	$8,237,236	$1,822,361	$10,059,597
Operating Expenses:			
Oper. & Maint. Exp.	$4,082,748		$4,082,748
Depreciation	1,861,290		1,861,290
Taxes & Tax Equiv.	1,714,753		1,714,753
Total Oper. Expenses	$7,658,791		$7,658,791
Oper. Income (or Loss)	$578,445		$2,400,806
Rate of Return	1.17%		4.85%

The depreciation expense included in the revenue requirement for the 2012 test year was computed using the depreciation rates shown in Appendix G. These depreciation rates are

effective on January 1, 2012, for computing the depreciation expense on the average investment for each plant account.

Financial

Rehearing Issue 1: Retail and Wholesale Differential Rate of Return

Oak Creek's final requested composite rate of return on net investment rate base was 4.85 percent, comprised of a 4.20 percent rate of return for retail customers and a 6.00 percent rate of return for wholesale customers. This is a differential of 180 basis points between the rates of return for retail customers and for wholesale customers. Oak Creek supported its request by pointing out that the 6.00 percent return is below the Commission's 6.75 percent water benchmark return at the time the application was filed. Oak Creek also noted that the requested rate of return does not include a risk premium. While Oak Creek asserted that it experiences additional risk in serving its wholesale customers, the lower 4.20 percent return requested is intended to mitigate the rate increase to its retail customers. Oak Creek notes that mitigating the retail rate of return by 180 basis points will still maintain Oak Creek's good financial health and is consistent with Commission decisions in other water rate cases.

The Wholesale Intervenors argued that the Commission should limit the rate of return differential between wholesale and retail customers to no more than 100 basis points for two reasons. First, the Wholesale Intervenors contended that this maximum differential would be consistent with the most recent Commission water rate determination for Oak Creek prior to this proceeding. *See* Final Decision, *Application of Oak Creek Water and Sewer Utility for Authority to Increase Water Rates*, docket 4310-WR-103 (Wis. PSC July 2, 2008). They maintained that

Oak Creek submitted no information relating to movement of interest rates or its cost of capital that would justify any increase in the differential.

Second, the Wholesale Intervenors maintained that returning the differential to 100 basis points in this proceeding would result in a wholesale rate of return of 5.50 percent, which is approximately equal to the benchmark used by the Commission staff (200 basis points over the Bond Buyer Index). The Commission's benchmark rate of return has been at a floor of 5.50 percent since mid-July 2012.

The Commission finds it reasonable to mitigate rates for retail customers by setting the retail rate of return lower than the wholesale rate of return by 180 basis points. In reaching its determination as to the appropriate return on equity, the Commission must balance the needs of investors with the needs of consumers, with due consideration to economic and financial conditions along with public policy considerations. If the appropriate return on equity could be measured precisely, setting the authorized return on equity would be straightforward. Because a precise measurement is not possible, determining the appropriate return on equity is typically one of the most contested issues in a rate proceeding, as it was here.

Oak Creek's requested returns are within Commission historical guidelines for municipal utilities. The guidelines' upper boundary is the Commission's benchmark rate of return on net investment rate base, which is based on the cost of 30-year municipal bonds plus 200 basis points. The lower boundary is generally 1.5 times interest coverage or 1.25 times cash flow to total debt service. Using these guidelines from the time Oak Creek's rate application was filed, the upper boundary would be 6.75 percent and the lower boundary would be 2.50 percent.[2]

[2] The prevailing rate of return when Oak Creek filed its application in May 2011, was 6.75 percent. The current benchmark is at 5.50 percent.

According to Wis. Stat. § 66.0811(1), municipal utilities are entitled to the same rate of return on equity as is permitted for privately-owned utilities. At hearing, Commission staff explained that the upper boundary of the Commission guidelines is consistent with this statutory requirement. Further, because of the interrelationship between the municipal utility, retail ratepayer, municipality, and city electorate/taxpayer, the Commission ordinarily accommodates the municipal utility's rate of return preference if it is within the Commission's allowable range. To the extent a utility seeks a lower rate of return on net investment rate base for its retail customers, the low end of the Commission's allowable range assures that a utility can still meet its debt service obligations.

When making rate changes, the Commission must balance the needs of investors, the needs of consumers, the principle of gradualism, the decline in yields for 30-year municipal bonds, Oak Creek's capitalization, the adequacy of debt service coverage, the proposed payment in lieu of taxes, Oak Creek's excess capacity, and applicable statutory requirements. Based on these competing considerations, a composite return on rate base of 4.85 percent, with resulting rate of returns of 4.20 percent for retail customers and 6.00 percent for wholesale customers, is reasonable.

The Commission finds no compelling reason to place further limits on its historical guidelines for the differential between wholesale and retail rates of return, with one exception. Typically, the final decision in water rate cases is delegated to the Division Administrator. The Commission will continue this practice when a utility is requesting a differential rate of return of no more than 100 basis points. However, in the future, the Commission requires that any final

decision in a case where a utility has requested a differential rate of return greater than 100 basis points be brought to the Commission for consideration.

Capital Structure

Oak Creek's capital employed in providing public utility service that is associated with the net investment rate base is estimated to be 58.82 percent municipal equity and 41.18 percent long-term debt. The composite cost of debt is 3.98 percent. A composite 4.85 percent rate of return on net investment rate base will provide a 5.46 percent return on municipal earning equity and 2.96 times interest coverage.

Cost of Service Study

Rehearing Issue 2: Allocation of 12-inch Mains to Transmission

Oak Creek commissioned a hydraulic analysis of its system that demonstrated that 53 percent of Oak Creek's 12-inch mains are needed to serve the wholesale customers. This analysis was conducted by Strand, using a hydraulic model of Oak Creek's water system.

The Wholesale Intervenors argued for a classification of all mains 12-inch and smaller as distribution and all mains larger than 12-inch as transmission. In general, wholesale customers only pay for costs associated with transmission facilities.

The Commission appreciates Oak Creek's efforts to provide additional detailed information on this matter. In general, it is preferable to use actual information for cost allocation wherever possible. Nonetheless, the Commission recognizes the limitations of the model that were raised by the Wholesale Intervenors. Furthermore, the Commission does not wish to establish an expectation that the level of detail provided in this case is necessarily required in all future water rate cases. Based on substantial evidence presented at hearing, the

Commission finds it reasonable to allocate 46.85 percent of the cost of 12-inch mains to transmission and 53.15 percent of the cost to distribution. This ratio is based upon the volume of sales in the test year to the wholesale and retail customers, respectively.

Allocation of Transmission Main Costs to the Maximum Hour Cost Function

In the Final Decision issued on July 23, 2012, the Commission agreed with the Wholesale Intervenors and found that transmission main serves both maximum hour and maximum day functions. As a result, the Commission found it reasonable to assign a portion of the costs related to transmission mains to the maximum hour cost function. However, the allocation factors used in that cost of service study for Account 343, Transmission Mains; Account 662, Transmission Lines Expenses; and Account 673, Maintenance of Transmission Mains were incorrect. Those allocation factors were as follows: base-system 51.50 percent, maximum day-system 21.35 percent, and maximum hour-system 27.15 percent. The Commission has corrected those allocation factors in the cost of service study for the Final Decision for those accounts. The correct allocation factors are as follows: base-system 41.24 percent, maximum day-system 27.13 percent, and maximum hour-system 31.63 percent.

Final Cost of Service Study

The final cost of service study resulting from the Commission's decisions on the issues in this rate case is shown in Appendix B. The base-extra capacity cost allocation method was used for the analysis. Under this method, the operating expenses are allocated first to the service cost functions of extra-capacity maximum day and maximum hour demand, base, customer, and fire protection and then to each of the customer classes served. Summaries of such analyses, based on allocations that are reasonable and just, are shown in Schedules 8 and 11. Appendix C shows

customer class revenue requirements resulting from the cost analysis compared with revenues at authorized rates.

Rate Design

The rate design in this Final Decision is the same as the rate design in the Final Decision issued on July 23, 2012.

Overall, the rates authorized for Oak Creek in Appendix D of this Final Decision result in an estimated net operating income of approximately $2,400,806, which provides a 4.85 percent rate of return on the water utility net investment rate base of $49,501,146. This represents an increase of 23 percent in total water revenues.

As shown in attached Appendix C, the base-extra capacity cost allocation method results in a relatively wide range of increases in the charges to the various general service customer classes to reflect the cost of providing service to such classes. The percentage rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of that customer.

The authorized rates as set forth in Appendix D are based on the cost of providing water service to the various customer classes or types of service and other rate-setting goals. These rates are reasonable and just. All customers will be required to pay an appropriate amount for the service provided.

Some typical water bills for residential, commercial, industrial, and public authority retail customers in the City of Oak Creek were computed using Schedule Mg-1 to compare existing rates with the new rates. That comparison is set forth in Appendix F.

A typical Oak Creek residential customer's bill for general service will rise 19 percent. When the public fire protection charge is included, the overall water bill will rise 18 percent. Rates have risen because of a 20 percent increase in gross plant investment and a 26 percent increase in operating expenses since Oak Creek's last rate case in 2008. The typical bills calculated using the authorized rates are above average when compared with those of similar water utilities in the state.

The overall increase in annual revenues is 23 percent, comprised of a 25 percent increase in general service charges and a 9 percent increase in fire protection charges. Retail general service charges will increase by 19 percent, compared to a 36 percent increase in wholesale general service charges. Retail public fire protection charges will increase by 15 percent, compared to a 39 percent decrease in wholesale public fire protection charges. Caledonia's wholesale public fire protection charge will increase 114 percent, while Franklin's wholesale public fire protection charge will be eliminated.

The general service charges will increase by 25 percent, compared to a 9 percent increase in the annual public fire protection charge. The larger increase in general service charges results because a greater proportion of the annual operating costs is allocated to general service than was allocated at the time of the Oak Creek's last rate proceeding, based on current ratios of maximum general service demand to available system fire protection capacity. The larger increase in general service charges is reasonable in that it appropriately reflects the cost of providing service.

Oak Creek's tariff provisions (operating rules and main extension rules) are consistent with those of other Wisconsin water utilities. They are shown in Appendix D and in Appendix E.

They are reasonable and just and in accordance with Commission policy and the Wisconsin Administrative Code.

Effective Date

The test year commenced on January 1, 2012. Pursuant to Wis. Stat. §§ 196.19 and 196.21, Oak Creek implemented the changes in rates and tariff provisions that were authorized in the July 23, 2012, Final Decision effective one day after the date of service after filing the rates and tariff provisions with the Commission and placing them in all offices and pay stations of the utility. This Final Decision reaffirms the rates and tariff provisions that were made effective July 24, 2012.

Order

1. This Final Decision takes effect one day after the date of service.

2. The authorized rates and tariff provisions are unchanged from those authorized in the Final Decision dated July 23, 2012.

3. The Commission retains jurisdiction.

Dated at Madison, Wisconsin, this 23rd day of May, 2013.

By the Commission:

Sandra J. Paske
Secretary to the Commission

SJP:dlp DL:00722667 4310-WR-104 Final Decision 5.2.13

See attached Notice of Appeal Rights

Docket 4310-WR-104

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE PARTY TO BE NAMED AS RESPONDENT

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.[3] The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013
DL: 00698858

[3] *See State v. Currier, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.*

APPEARANCES

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for purposes of review under Wis. Stat. § 227.53.

OAK CREEK WATER AND SEWER UTILITY
Lawrie J. Kobza
Boardman & Clark, LLP
P.O. Box 927
Madison, WI 53701-0927
(Phone: 608-283-1788 / Fax: 608-283-1709)
(Email: lkobza@boardmanclark.com)

FRANKLIN WATER UTILITY
Jesse A. Wesolowski
Wesolowski, Reidenbach & Sajdak, S.C.
11402 West Church Street
Franklin, WI 53132
(Phone: 414-529-8900 / Fax: 414-529-2121)
(Email: JWesLaw@aol.com)

CALEDONIA WATER UTILITY
John M. Bjelajac
Hankel, Bjelajac & Kallenbach
601 Lake Avenue
Racine, WI 53401-0038
(Phone: 262-633-9800 / Fax: 262-633-1209)
(Email: jmbjelajac@sbcglobal.net)

PUBLIC SERVICE COMMISSION OF WISCONSIN
(Not a party, but must be served)
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854
Please file documents using the Electronic Regulatory Filing (ERF) system which may be accessed through the PSC website: https://psc.wi.gov.

OAK CREEK WATER AND SEWER UTILITY

Authorized Final Cost of Service Study

Division of Water, Compliance and Consumer Affairs
Public Service Commission of Wisconsin

OAK CREEK WATER AND SEWER UTILITY **Schedule 1**
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COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	2008	2009	2010	2011	TEST YEAR 2012
460	Unmetered Sales to General Customers					
	Residential	$ 0	$ 0	$ 0	$ 0	$ 0
	Commercial	10,163	9,943	15,216	20,266	10,900
	Industrial	0	0	0	0	0
	Public Authority	0	0	0	0	0
461	Metered Sales to General Customers					
	Residential	1,871,379	1,927,094	1,856,209	1,955,162	1,932,689
	Commercial	1,761,840	1,805,371	1,741,586	1,503,344	1,313,406
	Industrial	504,039	472,612	387,729	676,527	890,162
	Public Authority	85,784	85,682	77,984	76,038	77,937
	Total general sales	$ 4,233,205	$ 4,300,702	$ 4,078,724	$ 4,231,337	$ 4,225,094
462	Private fire protection service	141,204	146,199	149,983	152,296	147,264
463	Public fire protection service	938,202	955,668	956,350	978,365	1,004,474
465	Other water sales	0	0	0	0	0
466	Sales for resale	2,351,011	2,710,371	2,511,134	2,707,244	2,610,104
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	46,346	53,636	57,189	56,635	50,200
472	Rents from water property	130,244	147,341	153,367	166,726	166,000
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	33,808	34,557	44,254	37,118	34,100
	TOTAL OPERATING REVENUES	$ 7,874,020	$ 8,348,474	$ 7,951,001	$ 8,329,721	$ 8,237,236
	OPERATING EXPENSES					
	SOURCE OF SUPPLY					
600	Operation labor	$ 5,902	$ 6,271	$ 5,996	$ 6,035	$ 6,150
601	Operation labor and expenses	28,078	33,371	32,279	31,515	33,150
602	Purchased water	0	0	0	0	0
603	Miscellaneous expenses	134,640	63,935	3,075	1,903	57,186
604	Rents	0	0	0	0	0
610	Maintenance supervision and engineering	0	0	0	0	0
611	Maintenance of structures and improvements	0	0	0	0	0
612	Maint. of collecting and impounding reservoirs	0	0	0	0	0
613	Maintenance of lake, river, and other intakes	6,243	6,243	6,657	0	6,500
614	Maintenance of wells and springs	758	0	0	0	1,150
616	Maintenance of supply mains	0	0	0	0	350
617	Maintenance of misc. water source plant	0	0	0	0	0
	PUMPING EXPENSES					
620	Operation supervision and engineering	50,328	52,687	50,790	51,121	52,150
621	Fuel for power production	0	0	0	0	0
622	Power production labor and expenses	0	0	0	0	0
623	Fuel or power purchased for production	351,506	340,089	334,491	409,039	374,650
624	Pumping labor and expenses	98,111	115,283	113,351	111,229	107,400
625	Expenses transferred--credit	0	0	0	0	0
626	Miscellaneous expenses	126,379	105,775	120,456	121,260	127,740
627	Rents	0	0	0	0	0
630	Maintenance supervision and engineering	5,902	6,271	6,063	6,035	6,200
631	Maintenance of structures and improvements	5,274	7,062	6,652	9,763	6,300
632	Maintenance of power production equipment	24,642	8,152	6,366	7,516	12,700
633	Maintenance of pumping equipment	80,798	141,098	113,617	88,285	111,950

OAK CREEK WATER AND SEWER UTILITY **Schedule 1**
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COMPARATIVE INCOME STATEMENT
(continued)

ACCT NO.	OPERATING EXPENSES	2008	2009	2010	2011	TEST YEAR 2012
	WATER TREATMENT EXPENSES					
640	Operation supervision and engineering	$ 78,653	$ 89,937	$ 96,004	$ 82,136	$ 98,600
641	Chemicals	222,120	259,225	222,359	185,784	231,250
642	Operation labor and expenses	280,669	326,233	359,823	343,683	369,500
643	Miscellaneous expenses	127,527	124,115	129,554	129,894	140,589
644	Rents	0	0	0	0	0
650	Maintenance supervision and engineering	11,803	12,504	11,992	11,956	12,300
651	Maintenance of structures and improvements	4,146	5,589	18,281	6,084	8,850
652	Maintenance of water treatment equipment	176,594	170,474	155,697	160,299	172,450
	TRANS & DISTRIBUTION EXPENSES					
660	Operation supervision and engineering	179,565	194,518	184,922	185,064	189,900
661	Storage facilities expenses	4,682	3,059	3,458	5,900	4,150
662	Transmission and distribution expenses	145,169	161,132	159,594	162,515	160,000
663	Meter expenses	31,943	16,189	17,440	30,223	23,900
664	Customer installations expenses	25,854	53,158	47,603	43,016	33,500
665	Miscellaneous expenses	15,222	16,676	15,221	14,199	24,960
666	Rents	0	0	0	0	0
670	Maintenance supervision and engineering	36,469	38,356	38,579	40,424	39,650
671	Maintenance of structures and improvements	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	50,182	41,759	38,252	39,392	34,700
673	Maintenance of transmission and distr. mains	145,663	82,023	84,672	61,540	108,050
675	Maintenance of services	21,911	18,036	33,236	25,820	22,000
676	Maintenance of meters	24,732	26,283	16,120	26,404	21,250
677	Maintenance of hydrants	43,232	25,947	33,441	36,274	43,100
678	Maintenance of miscellaneous plant	936	12,740	113	620	3,850
	CUSTOMER ACCOUNTS EXPENSES					
901	Supervision	0	0	0	0	0
902	Meter reading labor	8,827	6,303	5,309	6,024	5,450
903	Customer records and collection expenses	86,958	99,374	95,401	100,698	96,050
904	Uncollectible accounts	0	0	0	0	0
905	Miscellaneous customer accounts expenses	0	0	0	0	0
906	Customer service and Information Expenses	0	0	0	0	0
	SALES EXPENSES					
910	Sales Expenses	0	0	0	0	0
	ADMIN. & GENERAL EXPENSES					
920	Administrative and general salaries	102,853	115,597	113,655	112,576	114,127
921	Office supplies and expenses	60,200	47,279	53,240	46,232	53,800
922	Administrative expenses transferred -- credit	0	0	0	0	0
923	Outside services employed	189,522	134,670	122,859	107,909	129,700
924	Property insurance	12,249	12,411	4,814	13,696	4,900
925	Injuries and damages	62,070	53,956	54,305	46,663	59,450
926	Employee pensions and benefits	584,355	588,534	877,741	932,422	884,121
928	Regulatory commission expenses	0	0	0	38,408	25,000
929	Duplicate charges -- credit	0	0	0	0	0
930	Miscellaneous general expenses	276,267	38,413	46,450	42,267	64,025
931	Rents	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0
	TOTAL OPER. & MAINT. EXPENSES	$ 3,928,934	$ 3,660,727	$ 3,839,928	$ 3,881,823	$ 4,082,748
403	**DEPRECIATION EXPENSE**	1,250,924	1,203,690	1,442,903	1,669,127	1,861,290
404-407	**AMORTIZATION EXPENSE**	0	0	0	0	0
408	**TAXES AND TAX EQUIVALENT**	1,231,603	1,330,684	1,570,586	1,628,424	1,714,753
	TOTAL OPERATING EXPENSES	$ 6,411,461	$ 6,195,101	$ 6,853,417	$ 7,179,374	$ 7,658,791
	NET OPERATING INCOME	**$ 1,462,559**	**$ 2,153,373**	**$ 1,097,584**	**$ 1,150,347**	**$ 578,445**

Docket 4310-WR-104 **Schedule 2**

NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	$	70,872,192
Less: ACCUMULATED PROVISION FOR DEPRECIATION		19,201,194
NET INVESTMENT	$	51,670,998
Plus: MATERIALS AND SUPPLIES		62,081
Less: REGULATORY LIABILITY		2,231,933
NET INVESTMENT RATE BASE	$	49,501,146
RATE OF RETURN ON RATE BASE		4.85%

ESTIMATED INCOME STATEMENT FOR THE 2012 TEST YEAR AND REVENUE REQUIREMENT TO YIELD A 4.85% RETURN ON NET INVESTMENT RATE BASE

		Present Rates		Increase		After Rate Increase
TOTAL OPERATING REVENUES	$	8,237,236	$	1,822,361	$	10,059,597
OPERATING EXPENSES:						
OPERATION & MAINTENANCE EXPENSES	$	4,082,748			$	4,082,748
DEPRECIATION EXPENSE		1,861,290				1,861,290
AMORTIZATION EXPENSE		0				0
TAXES AND TAX EQUIVALENT		1,714,753				1,714,753
TOTAL OPERATING EXPENSES	$	7,658,791			$	7,658,791
NET OPERATING INCOME (LOSS)	$	578,445			$	2,400,806
RATE OF RETURN ON RATE BASE		1.17%				4.85%

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2012

ACCT NO.	ACCOUNT DESCRIPTION	Balance 12/31/2011 ($)	Major Additions ($)	Normal Additions ($)	Retirements ($)	Balance 12/31/2012 ($)	Test Year Rate Base Balance ($)	Depreciation Rate (%)	Depreciation Expense ($)
	INTANGIBLE PLANT								
301	Organization	0	0	0	0	0	0	N/A	0
302	Franchises and consents	0	0	0	0	0	0	N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	N/A	0
	SOURCE OF SUPPLY								
310	Land and land rights	21,060	0	0	0	21,060	21,060	N/A	0
311	Structures and improvements	0	0	0	0	0	0	3.20%	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	1.70%	0
313	Lake, river, and other intakes	5,672,464	0	0	0	5,672,464	5,672,464	1.70%	96,432
314	Wells and springs	200,459	0	0	0	200,459	200,459	2.90%	5,813
316	Supply mains	382,344	0	0	0	382,344	382,344	1.80%	6,882
317	Other water source plant	0	0	0	0	0	0	4.50%	0
	PUMPING PLANT								
320	Land and land rights	18,610	0	0	0	18,610	18,610	N/A	0
321	Structures and improvements	1,981,008	0	0	0	1,981,008	1,981,008	3.20%	63,392
323	Other power production equipment	165,506	3,446,630	0	0	3,612,136	3,612,136	4.40%	158,934
325	Electric pumping equipment	3,045,149	(5,000)	0	0	3,040,149	3,040,149	4.40%	133,767
326	Diesel pumping equipment	0	0	0	0	0	0	4.40%	0
328	Other pumping equipment	44,613	0	0	0	44,613	44,613	4.40%	1,963
	WATER TREATMENT PLANT								
330	Land and land rights	31,500	0	0	0	31,500	31,500	N/A	0
331	Structures and improvements	12,245,484	(21,446)	0	0	12,224,038	12,224,038	3.20%	391,169
332	Sand or Other Media Filtration Equip	12,879,556	(46,874)	0	0	12,832,681	12,832,681	3.30%	423,478
333	Membrane Filtration Equipment	0	0	0	0	0	0	6.00%	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	6.00%	0

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2012
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	Balance 12/31/2011 ($)	Major Additions ($)	Normal Additions ($)	Retirements ($)	Balance 12/31/2012 ($)	TEST YEAR RATE BASE BALANCE ($)	DEPRECIATION RATE (%)	DEPRECIATION EXPENSE ($)
	TRANSMISSION & DISTRIBUTION PLANT								
340	Land and land rights	27,556	0	0	0	27,556	27,556	N/A	0
341	Structures and improvements	0	0	0	0	0	0	3.20%	0
342	Distribution reservoirs and standpipes	2,710,774	0	0	0	2,710,774	2,710,774	1.90%	51,505
343	Transmission and distribution mains	18,129,862	0	120,000	0	18,249,862	18,189,862	1.30%	236,468
345	Services	1,717,328	0	0	0	1,717,328	1,717,328	2.90%	49,803
346	Meters	1,704,234	0	35,000	17,220	1,722,014	1,713,124	5.50%	47,111
348	Hydrants	1,424,856	0	5,000	0	1,429,856	1,427,356	2.20%	31,402
349	Other transmission and distr. plant	0	0	0	0	0	0	5.00%	0
	GENERAL PLANT								
389	Land and land rights	19,717	0	0	0	19,717	19,717	N/A	0
390	Structures and improvements	2,303,832	0	0	0	2,303,832	2,303,832	2.90%	66,811
391	Office furniture and equipment	137,830	0	0	0	137,830	137,830	5.80%	7,994
391	Office furniture & equip - Computers	198,620	0	0	0	198,620	198,620	26.70% *	9,124
392	Transportation equipment	434,642	0	50,000	15,000	469,642	452,142	13.30% *	31,681
393	Stores equipment	0	0	0	0	0	0	5.80%	0
394	Tools, shop and garage equipment	83,938	0	3,500	0	87,438	85,688	5.80% *	1,963
395	Laboratory equipment	7,189	0	0	0	7,189	7,189	5.80%	417
396	Power operated equipment	154,649	0	0	0	154,649	154,649	7.50% *	5,817
397	Communication equipment	239,632	0	0	0	239,632	239,632	15.00% *	17,552
397	SCADA equipment	1,329,069	0	0	0	1,329,069	1,329,069	9.20% *	16,200
398	Miscellaneous equipment	96,761	0	0	0	96,761	96,761	5.80%	5,612
	TOTAL UTILITY FINANCED PLANT IN SERVICE	**67,408,242**	**3,373,310**	**213,500**	**32,220**	**70,962,832**	**70,872,192**		**1,861,290**

*Fully depreciated

Docket 4310-WR-104 **Schedule 4**

OAK CREEK WATER AND SEWER UTILITY

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE	2,656,307,650	Gallons
AVERAGE DAILY PUMPAGE	7,277,555	Gallons
MAXIMUM DAY PUMPAGE	12,066,187	Gallons
FIRE FLOW:		
GAL/MIN	5,000	
DURATION (HOURS)	5	
TOTAL FLOW	1,500,000	Gallons
AVERAGE DAY PLUS FIRE FLOW	8,777,555	Gallons

RATIO: BASE = 7,277,555 / 12,066,187 = 60.31%

MAX DAY = 100-BASE = 39.69%

MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY	502,758	Gallons
MAXIMUM HOUR PUMPAGE	735,336	Gallons
AVERAGE HOUR PLUS ONE HOUR FIRE FLOW	603,231	Gallons

RATIO: BASE = 7,277,555 / 17,648,071 = 41.24% Use 41.24%

MAX HOUR = 100-BASE = 58.76% Use 58.76%

ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	INTANGIBLE PLANT												
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY												
310	Land and land rights	21,060	12,702		8,358								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	0	0		0								
313	Lake, river, and other intakes	5,672,464	3,421,269		2,251,195								
314	Wells and springs	200,459	120,904		79,555								
316	Supply mains	382,344	230,606		151,738								
317	Other water source plant	0	0		0								
	PUMPING PLANT												
320	Land and land rights	18,610	11,224		7,386								
321	Structures and improvements	1,981,008	1,194,818		786,190								
323	Other power production equipment	3,612,136	2,178,610		1,433,526								
325	Electric pumping equipment	3,040,149	1,833,624		1,206,525								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	44,613	26,908		17,705								
	WATER TREATMENT PLANT												
330	Land and land rights	31,500	18,999		12,501								
331	Structures and improvements	12,224,038	7,372,761		4,851,277								
332	Sand or Other Media Filtration Equip	12,832,681	7,739,856		5,092,825								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

ALLOCATION OF UTILITY FINANCED PLANT
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			FIRE PROTECTION
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	TRANSMISSION & DISTRIBUTION PLANT												
340	Land and land rights	27,556	8,381	839	4,728	0	5,511	1,196	1,704	0	1,833	1,837	1,527
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	2,710,774	1,117,845						1,592,929				
343	Transmission mains	16,287,202	6,716,372		4,419,373		5,151,457						
343	Distribution mains	1,902,660		784,602				1,118,058					
345	Services	1,717,328										1,717,328	
346	Meters	1,713,124									1,713,124		
348	Hydrants	1,427,356											1,427,356
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT												
389	Land and land rights	19,717	9,583	235	6,085	0	1,544	335	477	0	514	515	428
390	Structures and improvements	2,303,832	1,119,775	27,481	711,049	0	180,430	39,160	55,792	0	60,002	60,149	49,993
391	Office furniture and equipment	137,830	66,992	1,644	42,540	0	10,794	2,343	3,338	0	3,590	3,599	2,991
391	Office furniture & equip - Computers	198,620	96,539	2,369	61,302	0	15,555	3,376	4,810	0	5,173	5,186	4,310
392	Transportation equipment	452,142	219,763	5,393	139,548	0	35,411	7,685	10,950	0	11,776	11,805	9,811
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	85,688	41,649	1,022	26,447	0	6,711	1,457	2,075	0	2,232	2,237	1,859
395	Laboratory equipment	7,189	3,494	86	2,219	0	563	122	174	0	187	188	156
396	Power operated equipment	154,649	75,167	1,845	47,731	0	12,112	2,629	3,745	0	4,028	4,038	3,356
397	Communication equipment	239,632	116,473	2,858	73,959	0	18,767	4,073	5,803	0	6,241	6,256	5,200
397	SCADA equipment	1,329,069	645,992	15,853	410,201	0	104,089	22,591	32,186	0	34,615	34,700	28,841
398	Miscellaneous equipment	96,761	47,031	1,154	29,864	0	7,578	1,645	2,343	0	2,520	2,526	2,100
	TOTAL	**70,872,192**	**34,447,337**	**845,382**	**21,873,826**	**0**	**5,550,523**	**1,204,670**	**1,716,328**	**0**	**1,845,834**	**1,850,364**	**1,537,928**

ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	INTANGIBLE PLANT												
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY												
310	Land and land rights	21,060	12,702		8,358								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	0	0		0								
313	Lake, river, and other intakes	5,672,464	3,421,269		2,251,195								
314	Wells and springs	200,459	120,904		79,555								
316	Supply mains	382,344	230,606		151,738								
317	Other water source plant	0	0		0								
	PUMPING PLANT												
320	Land and land rights	18,610	11,224		7,386								
321	Structures and improvements	2,638,173	1,591,178		1,046,995								
323	Other power production equipment	3,612,136	2,178,610		1,433,526								
325	Electric pumping equipment	3,334,590	2,011,212		1,323,378								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	44,613	26,908		17,705								
	WATER TREATMENT PLANT												
330	Land and land rights	31,500	18,999		12,501								
331	Structures and improvements	12,224,038	7,372,761		4,851,277								
332	Sand or Other Media Filtration Equip	12,832,681	7,739,856		5,092,825								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

ALLOCATION OF TOTAL PLANT
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			Fire Protection ($)
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	
	TRANSMISSION & DISTRIBUTION PLANT												
340	Land and land rights	27,556	5,221	3,855	3,085	0	3,596	5,493	759	0	816	2,729	2,004
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	2,710,774	1,117,845						1,592,929				
343	Transmission mains	23,876,645	9,846,039		6,478,694		7,551,912						
343	Distribution mains	19,630,362		8,094,994				11,535,367					
345	Services	5,730,298										5,730,298	
346	Meters	1,713,124									1,713,124		
348	Hydrants	4,208,593											4,208,593
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT												
389	Land and land rights	19,717	7,118	1,614	4,537	0	1,506	2,301	318	0	342	1,143	839
390	Structures and improvements	2,303,832	831,656	188,640	530,089	0	175,984	268,812	37,120	0	39,921	133,535	98,074
391	Office furniture and equipment	137,830	49,755	11,286	31,713	0	10,529	16,082	2,221	0	2,388	7,989	5,867
391	Office furniture & equip - Computers	198,620	71,699	16,263	45,700	0	15,172	23,175	3,200	0	3,442	11,512	8,455
392	Transportation equipment	452,142	163,218	37,022	104,033	0	34,538	52,756	7,285	0	7,835	26,207	19,248
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	85,688	30,932	7,016	19,716	0	6,546	9,998	1,381	0	1,485	4,967	3,648
395	Laboratory equipment	7,189	2,595	589	1,654	0	549	839	116	0	125	417	306
396	Power operated equipment	154,649	55,826	12,663	35,583	0	11,813	18,045	2,492	0	2,680	8,964	6,583
397	Communication equipment	239,632	86,504	19,621	55,137	0	18,305	27,960	3,861	0	4,152	13,890	10,201
397	SCADA equipment	1,363,304	492,136	111,629	313,683	0	104,140	159,071	21,966	0	23,624	79,020	58,036
398	Miscellaneous equipment	96,761	34,930	7,923	22,264	0	7,391	11,290	1,559	0	1,677	5,608	4,119
	TOTAL	**103,969,384**	**37,531,704**	**8,513,115**	**23,922,327**	**0**	**7,941,981**	**12,131,189**	**1,675,207**	**0**	**1,801,610**	**6,026,278**	**4,425,974**

ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	INTANGIBLE PLANT												
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY												
310	Land and land rights	0	0		0								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	0	0		0								
313	Lake, river, and other intakes	96,432	58,162		38,270								
314	Wells and springs	5,813	3,506		2,307								
316	Supply mains	6,882	4,151		2,731								
317	Other water source plant	0	0		0								
	PUMPING PLANT												
320	Land and land rights	0	0		0								
321	Structures and improvements	63,392	38,234		25,158								
323	Other power production equipment	158,934	95,859		63,075								
325	Electric pumping equipment	133,767	80,680		53,087								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	1,963	1,184		779								
	WATER TREATMENT PLANT												
330	Land and land rights	0	0		0								
331	Structures and improvements	391,169	235,928		155,241								
332	Sand or Other Media Filtration Equip	423,478	255,415		168,063								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

ALLOCATION OF DEPRECIATION EXPENSE
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	EXTRA-CAPACITY						CUSTOMER COSTS			
			BASE COSTS		MAX DAY		MAX HOUR					
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	TRANSMISSION & DISTRIBUTION PLANT												
340	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	51,505	21,239						30,266				
343	Transmission mains	211,733	87,313		57,452		66,969						
343	Distribution mains	24,735		10,200				14,535					
345	Services	49,803										49,803	
346	Meters	47,111									47,111		
348	Hydrants	31,402											31,402
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT												
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	66,811	34,689	401	22,275	0	2,635	572	1,191	0	1,854	1,959	1,235
391	Office furniture and equipment	7,994	4,151	48	2,665	0	315	68	142	0	222	234	148
391	Office furniture & equip - Computers	9,124	4,737	55	3,042	0	360	78	163	0	253	268	169
392	Transportation equipment	31,681	16,449	190	10,563	0	1,249	271	565	0	879	929	586
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	0
394	Tools, shop and garage equipment	1,963	1,019	12	654	0	77	17	35	0	54	58	36
395	Laboratory equipment	417	217	3	139	0	16	4	7	0	12	12	8
396	Power operated equipment	5,817	3,020	35	1,939	0	229	50	104	0	161	171	108
397	Communication equipment	17,552	9,113	105	5,852	0	692	150	313	0	487	515	325
397	SCADA equipment	16,200	8,411	97	5,401	0	639	139	289	0	449	475	300
398	Miscellaneous equipment	5,612	2,914	34	1,871	0	221	48	100	0	156	165	104
	TOTAL	**1,861,290**	**966,389**	**11,180**	**620,566**	**0**	**73,404**	**15,931**	**33,174**	**0**	**51,638**	**54,589**	**34,419**

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS

			EXTRA-CAPACITY										
			BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			
ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	SOURCE OF SUPPLY												
600	Operation labor	6,150	3,709		2,441								
601	Operation labor and expenses	33,150	19,994		13,156								
602	Purchased water	0	0										0
603	Miscellaneous expenses	57,186	34,491		22,695								
604	Rents	0	0		0								
610	Maintenance supervision and engineering	0	0		0								
611	Maintenance of structures and improvements	0	0		0								
612	Maint. of collecting and impounding reservoirs	0	0		0								
613	Maintenance of lake, river, and other intakes	6,500	3,920		2,580								
614	Maintenance of wells and springs	1,150	694		456								
616	Maintenance of supply mains	350	211		139								
617	Maintenance of misc. water source plant	0	0		0								
	PUMPING EXPENSES												
620	Operation supervision and engineering	52,150	31,454		20,696								
621	Fuel for power production	0	0										
622	Power production labor and expenses	0	0										
623	Fuel or power purchased for production	374,650	374,650										
624	Pumping labor and expenses	107,400	64,777		42,623								
625	Expenses transferred--credit	0	0		0								
626	Miscellaneous expenses	127,740	77,045		50,695								
627	Rents	0	0		0								
630	Maintenance supervision and engineering	6,200	3,739		2,461								
631	Maintenance of structures and improvements	6,300	3,800		2,500								
632	Maintenance of power production equipment	12,700	7,660		5,040								
633	Maintenance of pumping equipment	111,950	67,521		44,429								
	WATER TREATMENT EXPENSES												
640	Operation supervision and engineering	98,600	59,469		39,131								
641	Chemicals	231,250	231,250										
642	Operation labor and expenses	369,500	222,859		146,641								
643	Miscellaneous expenses	140,589	84,794		55,795								
644	Rents	0	0		0								
650	Maintenance supervision and engineering	12,300	7,419		4,881								
651	Maintenance of structures and improvements	8,850	5,338		3,512								
652	Maintenance of water treatment equipment	172,450	104,011		68,439								

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL ($)	BASE COSTS		EXTRA-CAPACITY					CUSTOMER COSTS			
					MAX DAY		MAX HOUR						
			System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
	TRANSMISSION & DISTRIBUTION EXPENSES												
660	Operation supervision and engineering	189,900	23,111	30,219	10,765	0	12,548	43,062	9,620	0	19,026	23,387	18,162
661	Storage facilities expenses	4,150	1,711						2,439				
662	Transmission lines expenses	56,196	23,174		15,248		17,774						
662	Distribution lines expenses	103,804		42,806				60,998					
663	Meter expenses	23,900									23,900		
664	Customer installations expenses	33,500										33,500	
665	Miscellaneous expenses	24,960	3,038	3,972	1,415	0	1,649	5,660	1,264	0	2,501	3,074	2,387
666	Rents	0	0	0	0	0	0	0	0	0	0	0	0
670	Maintenance supervision and engineering	39,650	4,825	6,310	2,248	0	2,620	8,991	2,009	0	3,972	4,883	3,792
671	Maintenance of structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	34,700	14,309						20,391				
673	Maintenance of transmission mains	37,950	15,650		10,297		12,003						
673	Maintenance of distribution mains	70,100		28,907				41,193					
675	Maintenance of services	22,000										22,000	
676	Maintenance of meters	21,250									21,250		
677	Maintenance of hydrants	43,100											43,100
678	Maintenance of miscellaneous plant	3,850	469	613	218	0	254	873	195	0	386	474	368
	CUSTOMER ACCOUNTS EXPENSES												
901	Supervision	0								0			
902	Meter reading labor	5,450								5,450			
903	Customer records and collection expenses	96,050								96,050			
904	Uncollectible accounts	0								0			
905	Miscellaneous customer accounts expenses	0								0			
906	Customer service and Information Expenses	0											
	SALES EXPENSES												
910	Sales Expenses	0								0			
	ADMINISTRATIVE & GENERAL EXPENSES												
920	Administrative and general salaries	114,127	47,383	6,012	30,294	0	2,496	8,567	1,914	5,409	3,785	4,653	3,613
921	Office supplies and expenses	53,800	22,336	2,834	14,281	0	1,177	4,039	902	2,550	1,784	2,193	1,703
922	Administrative expenses transferred -- credit	0	0	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	129,700	53,848	6,833	34,428	0	2,837	9,736	2,175	6,147	4,302	5,288	4,106
924	Property insurance	4,900	1,769	401	1,127	0	374	572	79	0	85	284	209
925	Injuries and damages	59,450	24,682	3,132	15,780	0	1,300	4,463	997	2,817	1,972	2,424	1,882
926	Employee pensions and benefits	884,121	367,065	46,575	234,682	0	19,340	66,370	14,827	41,900	29,324	36,046	27,992
928	Regulatory commission expenses	25,000	10,379	1,317	6,636	0	547	1,877	419	1,185	829	1,019	792
929	Duplicate charges -- credit	0	0	0	0	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	64,025	26,582	3,373	16,995	0	1,401	4,806	1,074	3,034	2,124	2,610	2,027
931	Rents	0	0	0	0	0	0	0	0	0	0	0	0
932	Maintenance of general plant	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL OPERATION & MAINTENANCE EXPENSES	**4,082,748**	**2,049,134**	**183,303**	**922,726**	**0**	**76,321**	**261,207**	**58,305**	**164,542**	**115,239**	**141,836**	**110,134**

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

				EXTRA-CAPACITY								
		BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			
OPERATING COST	TOTAL ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	System ($)	Distribution ($)	Storage ($)	Billing ($)	Equivalent Meter ($)	Equivalent Service ($)	Fire Protection ($)
OPERATION AND MAINTENANCE	4,082,748	2,049,134	183,303	922,726	0	76,321	261,207	58,305	164,542	115,239	141,836	110,134
DEPRECIATION EXPENSE	1,861,290	966,389	11,180	620,566	0	73,404	15,931	33,174	0	51,638	54,589	34,419
AMORTIZATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0
TAXES AND TAX EQUIVALENT	1,714,753	619,005	140,406	394,548	0	130,986	200,078	27,629	0	29,714	99,391	72,997
RETURN ON NET INVESTMENT RATE BASE	2,400,806	1,214,623	24,829	736,604	0	183,960	35,381	50,408	0	55,366	54,466	45,169
TOTAL	**10,059,597**	**4,849,152**	**359,718**	**2,674,444**	**0**	**464,671**	**512,598**	**169,516**	**164,542**	**251,957**	**350,281**	**262,720**

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	Annual Volume 1,000 Gallons	BASE COSTS: Average Day Volume Gallons	BASE COSTS: Percent (%)	BASE COSTS: System Adjusted Percent (%)	BASE COSTS: Distribution Adjusted Percent (%)	BASE COSTS: Extra Capacity Ratio	EXTRA-CAPACITY MAX DAY DEMAND: Volume Rate Gallons Per Day	EXTRA-CAPACITY MAX DAY DEMAND: Percent (%)	EXTRA-CAPACITY MAX DAY DEMAND: System Adjusted Percent (%)	EXTRA-CAPACITY MAX DAY DEMAND: Distribution Adjusted Percent (%)	EXTRA-CAPACITY MAX DAY DEMAND: Extra Capacity Ratio	EXTRA-CAPACITY MAX HOUR DEMAND: Volume Rate Gallons Per Hour	EXTRA-CAPACITY MAX HOUR DEMAND: Percent (%)	EXTRA-CAPACITY MAX HOUR DEMAND: System Adjusted Percent (%)	EXTRA-CAPACITY MAX HOUR DEMAND: Distribution Adjusted Percent (%)	EXTRA-CAPACITY MAX HOUR DEMAND: Storage Adjusted Percent (%)
Residential	463,461	1,269,756	18.21%	18.21%	34.25%	1.500	1,904,634	22.89%	22.89%	34.81%	2.750	145,493	16.65%	16.65%	23.79%	23.79%
Commercial	409,123	1,120,885	16.07%	16.07%	30.24%	1.250	1,401,106	16.84%	16.84%	25.61%	2.375	110,921	12.69%	12.69%	18.14%	18.14%
Industrial	434,188	1,189,556	17.06%	17.06%	32.09%	0.500	594,778	7.15%	7.15%	10.87%	1.000	49,565	5.67%	5.67%	8.10%	8.10%
Public Authority	20,768	56,899	0.82%	0.82%	1.53%	1.250	71,123	0.85%	0.85%	1.30%	2.375	5,631	0.64%	0.64%	0.92%	0.92%
Caledonia (Wholesale)	181,527	497,334	7.13%	7.13%	0.00%	0.872	433,675	5.21%	5.21%	0.00%	1.926	39,911	4.57%	4.57%	0.00%	0.00%
Franklin (Wholesale)	1,011,233	2,770,501	39.72%	39.72%	0.00%	0.872	2,415,877	29.03%	29.03%	0.00%	1.926	222,333	25.44%	25.44%	0.00%	0.00%
Public Fire Protection	25,458	69,747	1.00%	1.00%	1.88%		1,500,000	18.03%	18.03%	27.41%		300,000	34.33%	34.33%	49.05%	49.05%
TOTALS	**2,545,758**	**6,974,678**	**100%**	**100%**	**100%**		**8,321,194**	**100%**	**100%**	**100%**		**873,853**	**100%**	**100%**	**100%**	**100%**
									50%	50%	<-- Public Fire % Limits -->			50%	50%	80%

MAXIMUM DAY DEMAND = 13,726,126 (GAL/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

MAXIMUM HOUR DEMAND = 861,559 (GAL/HR) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.14 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.17 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

NUMBER OF METERS

Meter size (inches):	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	TOTAL METERS	PERCENT
Residential	7,795	8	7	0	1	1	0	0	0	0	0	0	0	7,812	88%
Commercial	220	30	310	0	166	199	0	17	7	1	0	0	0	950	11%
Industrial	2	0	4	0	2	5	0	5	2	1	2	0	0	23	0%
Public Authority	8	3	7	0	12	16	0	4	3	2	0	0	0	55	1%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	2	1	0	0	3	0%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	4	0	4	0%
TOTALS	**8,025**	**41**	**328**	**0**	**181**	**221**	**0**	**26**	**12**	**6**	**3**	**4**	**0**	**8,847**	**100%**

EQUIVALENT METERS

ALLOCATION FACTOR:														TOTAL	
Meter size (inches):	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	EQUIV.	
Equiv. meters ratio:	1.0	1.0	2.5	3.7	5.0	8.0	12.5	15.0	25.0	50.0	80.0	120.0	160.0	METERS	PERCENT
Residential	7,795	8	18	0	5	8	0	0	0	0	0	0	0	7,834	59%
Commercial	220	30	775	0	830	1,592	0	255	175	50	0	0	0	3,927	30%
Industrial	2	0	10	0	10	40	0	75	50	50	160	0	0	397	3%
Public Authority	8	3	18	0	60	128	0	60	75	100	0	0	0	452	3%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	100	80	0	0	180	1%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	480	0	480	4%
TOTALS	**8,025**	**41**	**820**	**0**	**905**	**1,768**	**0**	**390**	**300**	**300**	**240**	**480**	**0**	**13,269**	**100%**

EQUIVALENT SERVICES

ALLOCATION FACTOR:														TOTAL	
Meter size (inches):	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	EQUIV.	
Equiv. services ratio:	1.0	1.0	1.3	1.7	2.0	3.0	3.5	4.0	5.0	6.0	7.0	8.0	9.0	SERVICES	PERCENT
Residential	7,795	8	9	0	2	3	0	0	0	0	0	0	0	7,817	80%
Commercial	220	30	403	0	332	597	0	68	35	6	0	0	0	1,691	17%
Industrial	2	0	5	0	4	15	0	20	10	6	14	0	0	76	1%
Public Authority	8	3	9	0	24	48	0	16	15	12	0	0	0	135	1%
Caledonia (Wholesale)	0	0	0	0	0	0	0	0	0	12	7	0	0	19	0%
Franklin (Wholesale)	0	0	0	0	0	0	0	0	0	0	0	32	0	32	0%
TOTALS	**8,025**	**41**	**426**	**0**	**362**	**663**	**0**	**104**	**60**	**36**	**21**	**32**	**0**	**9,770**	**100%**

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL ($)	Residential ($)	Commercial ($)	Industrial ($)	Public Authority ($)	Caledonia (Wholesale) ($)	Franklin (Wholesale) ($)	Public Fire Protection ($)
BASE COSTS:								
SYSTEM	4,849,152	845,859	746,687	792,433	37,904	362,185	2,017,622	46,462
DISTRIBUTION	359,718	123,219	108,772	115,436	5,522	0	0	6,768
EXTRA-CAPACITY COSTS:								
MAXIMUM-DAY SYSTEM	2,674,444	590,597	434,461	184,431	22,054	148,808	828,966	465,126
MAXIMUM-DAY DISTIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	464,671	73,879	56,324	25,168	2,859	23,453	130,652	152,335
MAXIMUM-HOUR DISTRIBUTION	512,598	121,939	92,964	41,541	4,719	0	0	251,434
MAXIMUM-HOUR STORAGE	169,516	40,325	30,743	13,738	1,561	0	0	83,149
CUSTOMER COSTS:								
BILLING	164,542	145,292	17,669	428	1,023	56	74	
EQUIVALENT METERS	251,957	148,064	74,226	7,504	8,534	3,717	9,912	
EQUIVALENT SERVICES	350,281	280,156	60,603	2,731	4,842	726	1,223	
FIRE PROTECTION	262,720							262,720
TOTAL COST	10,059,597	2,369,331	1,622,449	1,183,410	89,017	538,945	2,988,450	1,267,995
LESS OTHER REVENUE	408,464	112,656	88,043	56,268	4,233	0	0	147,264
COST OF SERVICE	9,651,133	2,256,675	1,534,406	1,127,142	84,784	538,945	2,988,450	1,120,731
REVENUE AT PRESENT RATES	7,828,772	1,932,689	1,313,406	890,162	77,937	404,582	2,205,522	1,004,474
DIFFERENCE	1,822,361	323,986	221,000	236,980	6,847	134,363	782,928	116,257
PERCENT INCREASE/DECREASE	**23.28%**	**16.76%**	**16.83%**	**26.62%**	**8.79%**	**33.21%**	**35.50%**	**11.57%**

ALLOCATION OF PUBLIC FIRE PROTECTION TO CUSTOMER CLASSES

	TOTAL ($)	Oak Creek Retail ($)	Caledonia (Wholesale) ($)	Franklin (Wholesale) ($)
ESTIMATED FIRE FLOW	28,420	13,543	3,302	11,575
BASE COSTS:				
SYSTEM	46,462	41,064	5,398	0
DISTRIBUTION	6,768	6,768	0	0
EXTRA-CAPACITY COSTS:				
MAXIMUM-DAY SYSTEM	465,126	411,085	54,041	0
MAXIMUM-DAY DISTIBUTION	0	0	0	0
MAXIMUM-HOUR SYSTEM	152,335	134,636	17,699	0
MAXIMUM-HOUR DISTRIBUTION	251,434	251,434	0	0
MAXIMUM-HOUR STORAGE	83,149	83,149	0	0
CUSTOMER COSTS:				
BILLING				
EQUIVALENT METERS				
EQUIVALENT SERVICES				
FIRE PROTECTION	262,720	262,720		
TOTAL COST	1,267,995	1,190,857	77,139	0
LESS OTHER REVENUE	147,264	147,264	0	0
COST OF SERVICE	1,120,731	1,043,593	77,139	0
REVENUE AT PRESENT RATES	1,004,474	885,509	33,866	85,099
DIFFERENCE	116,257	158,084	43,273	(85,099)
PERCENT INCREASE/DECREASE	**11.57%**	**17.85%**	**127.78%**	**-100.00%**

OAK CREEK WATER AND SEWER UTILITY
Comparison of Revenue
at
Present Rates, Cost of Service and Authorized Rates

		Cost of Service		Authorized Rates		
Customer Class	**Revenue at Present Rates**	**Revenue Required**	**Increase over Present Rates**	**Revenue**	**Increase over Present Rates**	**Percent of Cost of Service**
General Service - Retail						
Residential	$1,932,689	$2,256,675	17%	$2,291,801	19%	102%
Commercial	$1,313,406	$1,534,406	17%	$1,544,434	18%	101%
Industrial	$890,162	$1,127,142	27%	$1,098,105	23%	97%
Public Authority	$77,937	$84,784	9%	$91,266	17%	108%
Retail Total	$4,214,194	$5,003,007	19%	$5,025,606	19%	100%
General Service - Wholesale						
Caledonia (Wholesale)	$404,582	$538,945	33%	$542,657	34%	101%
Franklin (Wholesale)	$2,205,522	$2,988,450	35%	$2,996,625	36%	100%
Wholesale Total	$2,610,104	$3,527,395	35%	$3,539,282	36%	100%
Public Fire Protection						
Oak Creek	$885,509	$1,043,593	18%	$1,019,504	15%	98%
Caledonia (Wholesale)	$33,866	$77,139	128%	$72,540	114%	94%
Franklin (Wholesale)	$85,099	$0	-100%	$0	-100%	
PFP Total	$1,004,474	$1,120,731	12%	$1,092,043	9%	97%
Total	7,828,772	9,651,133	23%	9,656,932	23%	100%
Total - General Service and Public Fire Protection						
Oak Creek	$5,099,703	$6,046,600	19%	$6,045,109	19%	100%
Caledonia (Wholesale)	$438,448	$616,084	41%	$615,197	40%	100%
Franklin (Wholesale)	$2,290,621	$2,988,450	30%	$2,996,625	31%	100%
Total	$7,828,772	$9,651,133	23%	$9,656,932	23%	100%

OAK CREEK WATER AND SEWER UTILITY

Authorized Water Rates and Rules

Public Fire Protection Service - - - F-1

Public fire protection service includes the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

Quarterly Public Fire Protection Service Charges:

⅝ -inch meter - $	20.22	3 -inch meter - $	303.00
¾ -inch meter - $	20.22	4 -inch meter - $	505.20
1 -inch meter - $	50.40	6 -inch meter - $	1,010.40
1¼ -inch meter - $	74.70	8 -inch meter - $	1,616.70
1½ -inch meter - $	101.10	10 -inch meter - $	2,424.90
2 -inch meter - $	161.70	12 -inch meter - $	3,233.10

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall be subject to the charges in this schedule according to the size of their primary meter. Customers who are provided service under Schedule Am-1 are exempt from these charges for any additional meters.

Billing: Same as Schedule Mg-1.

Public Fire Protection Service - - - Fd-1

Delete.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Quarterly Private Fire Protection Service Demand Charges:

2 - inch or smaller connection - $	12.00
3 - inch connection - $	21.00
4 - inch connection - $	39.00
6 - inch connection - $	72.00
8 - inch connection - $	102.00
10 - inch connection - $	150.00
12 - inch connection - $	192.00
14 - inch connection - $	246.00
16 - inch connection - $	300.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Quarterly Service Charges:

⅝ -inch meter - $	26.00	3 -inch meter - $	196.00
¾ -inch meter - $	26.00	4 -inch meter - $	317.00
1 -inch meter - $	39.00	6 -inch meter - $	622.00
1¼ -inch meter - $	51.00	8 -inch meter - $	998.00
1½ -inch meter - $	77.00	10 -inch meter - $	1,475.00
2 -inch meter - $	112.00	12 -inch meter - $	1,952.00

Plus Volume Charges:

First	6,000,000	gallons used quarterly - $3.19 per 1,000 gallons
Next	18,000,000	gallons used quarterly - $2.46 per 1,000 gallons
Over	24,000,000	gallons used quarterly - $1.97 per 1,000 gallons

Billing: Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge shall be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Monthly Billing: At utility discretion, large-volume customers may be billed monthly.

Combined Metering: Volumetric readings may be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and may not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

Wholesale Water Service - - - W-1

Wholesale water service to the City of Franklin shall be provided at the following rates:

General Service

Service Charge:	$5,900.00 per quarter
Volume Charge:	$2.94 per 1,000 gallons

Wholesale water service to the Village of Caledonia shall be provided at the following rates:

Public Fire Protection Service

Service Charge:	$18,135.00 per quarter

General Service

Service Charge:	$2,242.00 per quarter
Volume Charge:	$2.94 per 1,000 gallons

Billing: Same as Schedule Mg-1.

Additional Meter Rental Charge - - - Am-1

Upon request, the utility shall furnish and install additional meters to:

A. Water service customers for the purpose of measuring the volume of water used that is not discharged into the sanitary sewer system; and

B. Sewerage service customers who are not customers of the water utility for the purpose of determining the volume of sewage that is discharged into the sanitary sewer system.

The utility shall charge a meter installation charge of $50.00 and a quarterly rental fee for the use of this additional meter.

Quarterly Additional Meter Rental Charges:

⅝ -inch meter - $	7.80
¾ -inch meter - $	7.80
1 -inch meter - $	11.70
1¼ -inch meter - $	15.60
1½ -inch meter - $	21.00
2 -inch meter - $	30.00
3 -inch meter - $	48.00
4 -inch meter - $	72.00
6 -inch meter - $	135.00

This schedule applies only if the additional meter is installed on the same service lateral as the primary meter and either:

A. The additional meter is ¾-inch or smaller if the metering configuration is the Addition Method; or

B. The additional meter is 2-inch or smaller for all other metering configurations.

If the additional meter is larger than 2-inch or larger than ¾-inch and installed in the Addition Method, each meter shall be treated as a separate account and Schedule Mg-1 rates shall apply.

Billing: Same as Schedule Mg-1.

Other Charges - - - OC-1

Non-Sufficient Funds Charge: The utility shall assess a $25.00 charge when a payment rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the payment was for multiple services.

Billing: Same as Schedule Mg-1.

Non-Sufficient Funds Charge - - - NSF-1

Delete.

Public Service - - - Mpa-1

Metered Service
Water used by the City of Oak Creek on an intermittent basis for flushing sewers, street washing, flooding skating rinks, drinking fountains, etc., shall be metered and billed according to the rates set forth in Schedule Mg-1.

Unmetered Service
Where it is impossible to meter the service, the utility shall estimate the volume of water used based on the pressure, size of opening, and the period of time the water is used. The estimated quantity shall be billed at the volumetric rates set forth in Schedule Mg-1, excluding any service charges.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Service may be supplied temporarily on an unmetered basis where the utility cannot immediately install a water meter, including water used for construction. Unmetered service shall be billed the amount that would be charged to a metered residential customer using 15,000 gallons of water per quarter under Schedule Mg-1, including the service charge for a ⅝-inch meter. If the utility determines that actual usage exceeds 15,000 gallons of water per quarter, an additional charge for the estimated excess usage shall be made according to the rates under Schedule Mg-1.

This schedule applies only to customers with a 1-inch or smaller service connection. For customers with a larger service connection, the utility shall install a temporary meter and charges shall be based on the rates set forth under Schedule Mg-1.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Delete.

Seasonal Service - - - Sg-1

Seasonal customers are general service customers who voluntarily request disconnection of water service and who resume service at the same location within 12 months of the disconnection, unless service has been provided to another customer at that location in the intervening period. The utility shall bill seasonal customers the applicable service charges under Schedule Mg-1 year-round, including the period of temporary disconnection.

Seasonal service shall include customers taking service under Schedule Mg-1, Schedule Ug-1, or Schedule Am-1.

Upon reconnection, the utility shall apply a charge under Schedule R-1 and require payment of any unpaid charges under this schedule.

Billing: Same as Schedule Mg-1, unless the utility and customer agree to an alternative payment schedule for the period of voluntary disconnection.

Building and Construction Water Service - - - Mz-1

Delete.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered or estimated by the utility. Utility personnel or a party approved by the utility shall supervise the delivery of water.

Bulk water sales are:

A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's service area;

B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as water used for irrigation or filling swimming pools; or,

C. Water supplied from hydrants or other temporary connections for general service type applications, except that Schedule Ug-1 applies for water supplied for construction purposes.

A service charge of $50.00 and a charge for the volume of water used shall be billed to the party using the water. The volumetric charge shall be calculated using the highest volumetric rate for residential customers under Schedule Mg-1. In addition, for meters that are assigned to bulk

water customers for more than 7 days, the applicable service charge in Schedule Mg-1 will apply after the first 7 days.

The water utility may require a reasonable deposit for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected shall be refunded upon return of the utility's equipment. Damaged or lost equipment shall be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-1

The utility shall assess a charge to reconnect a customer, which includes reinstalling a meter and turning on the valve at the curb stop, if necessary. A utility may not assess a charge for disconnecting a customer.

During normal business hours:	$50.00
After normal business hours:	$80.00

Billing: Same as Schedule Mg-1.

Water Lateral Installation Charge - - - Cz-1

The utility shall charge a customer for the actual cost of installing a water service lateral from the main through curb stop and box if these costs are not contributed as part of a subdivision development or otherwise recovered under Wis. Stats. Chapter 66.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1. Incorporate the operating rules for municipal water utilities as provided in Appendix E.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat.

§ 66.0703 will apply, and no additional customer contribution to the utility will be required.

B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:

1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under paragraph A.

2. Part of the contribution required in paragraph B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the amount which would have been assessed under paragraph A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the proportionate amount which would have been required under paragraph A., nor will it exceed the total assessable cost of the original extension.

C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under paragraph A.

Water Main Installations in Platted Subdivisions - - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

WATER UTILITY OPERATING RULES

Compliance with Rules

All persons now receiving water service from this water utility, or who may request service in the future, shall be considered as having agreed to be bound by the rules and regulations as filed with the Public Service Commission of Wisconsin.

Establishment of Service

Application for water service may be made in writing on a form furnished by the water utility. The application will contain the legal description of the property to be served, the name of the owner, the exact use to be made of the service, and the size of the service lateral and meter desired. Note particularly any special refrigeration, fire protection, or water-consuming air-conditioning equipment.

Service will be furnished only if (1) the premises have a frontage on a properly platted street or public strip in which a cast iron or other long-life water main has been laid, or where the property owner has agreed to and complied with the provisions of the water utility's filed main extension rule, (2) the property owner has installed or agrees to install a service lateral from the curb stop to the point of use that is not less than 6 feet below the surface of an established or proposed grade and meets the water utility's specifications, and (3) the premises have adequate piping beyond the metering point.

The owner of a multi-unit dwelling has the option of being served by individual metered water service to each unit. The owner, by selecting this option, is required to provide interior plumbing and meter settings to enable individual metered service to each unit and individual disconnection without affecting service to other units. Each meter and meter connection will be treated as a separate water utility account for the purpose of the filed rules and regulations.

No division of the water service lateral to any lot or parcel of land shall be made for the extension and independent metering of the supply to an adjoining lot or parcel of land. Except for duplexes, no division of a water service lateral shall be made at the curb for separate supplies for two or more separate premises having frontage on any street or public service strip, whether owned by the same or different parties. Duplexes may be served by one lateral provided (1) individual metered service and disconnection is provided and (2) it is permitted by local ordinance.

Buildings used in the same business, located on the same parcel, and served by a single lateral may have the customer's water supply piping installed to a central point so that volume can be metered in one place.

The water utility may withhold approval of any application where full information of the purpose of such supply is not clearly indicated and set forth by the applicant property owner.

WATER UTILITY OPERATING RULES

Reconnection of Service

Where the water utility has disconnected service at the customer's request, a reconnection charge shall be made when the customer requests reconnection of service. See Schedule R-1 for the applicable rate.

A reconnection charge shall also be required from customers whose services are disconnected (shut off at curb stop box) because of nonpayment of bills when due. See Schedule R-1 for the applicable rate.

If reconnection is requested for the same location by any member of the same household, or, if a place of business, by any partner of the same business, it shall be considered as the same customer.

Temporary Metered Service, Meter, and Deposits

An applicant for temporary water service on a metered basis shall make and maintain a monetary deposit for each meter installed as security for payment for use of water and for such other charges which may arise from the use of the supply. A charge shall be made for setting the valve and furnishing and setting the meter. See Schedule BW-1 for the applicable rate.

Water for Construction

When water is requested for construction purposes or for filling tanks or other such uses, an application shall be made to the water utility, in writing, giving a statement of the amount of construction work to be done or the size of the tank to be filled, etc. Payment for the water for construction may be required in advance at the scheduled rates. The service lateral must be installed into the building before water can be used. No connection with the service lateral at the curb shall be made without special permission from the water utility. In no case will any employee of the water utility turn on water for construction work unless the contractor has obtained permission from the water utility.

Customers shall not allow contractors, masons, or other persons to take unmetered water from their premises without permission from the water utility. Any customer failing to comply with this provision may have water service discontinued and will be responsible for the cost of the estimated volume of water used.

WATER UTILITY OPERATING RULES

Use of Hydrants

In cases where no other supply is available, permission may be granted by the water utility to use a hydrant. No hydrant shall be used until the proper meter, valve, and backflow preventer are installed. In no case shall any valve be installed or moved except by an employee of the water utility.

Before a valve is set, payment must be made for its setting and for the water to be used at the scheduled rates. Where applicable, see Schedule BW-1 for deposits and charges. Upon completing the use of the hydrant, the customer must notify the water utility to that effect.

Operation of Valves and Hydrants and Unauthorized Use of Water - Penalty

Any person who shall, without authority of the water utility, allow contractors, masons, or other unauthorized persons to take water from their premises, operate any valve connected with the street or supply mains, or open any fire hydrant connected with the distribution system, except for the purpose of extinguishing fire, or who shall wantonly damage or impair the same, shall be subject to a fine as provided by municipal ordinance. Utility permission for the use of hydrants applies only to such hydrants that are designated for the specific use.

Refunds of Monetary Deposits

All money deposited as security for payment of charges arising from the use of temporary water service on a metered basis, or for the return of a hydrant valve and fixtures if the water is used on an unmetered basis, will be refunded to the depositor on the termination of the use of water, the payment of all charges levied against the depositor, and the return of the water utility's equipment.

Service Laterals

No water service lateral shall be laid through any trench having cinders, rubbish, rock or gravel fill, or any other material which may cause injury to or disintegration of the service lateral, unless adequate means of protection are provided by sand filling or such other insulation as may be approved by the water utility. Service laterals passing through curb or retaining walls shall be adequately safeguarded by provision of a channel space or pipe casing not less than twice the diameter of the service connection. The space between the service lateral and the channel or pipe casing shall be filled and lightly caulked with an oakum, mastic cement, or other resilient material and made impervious to moisture.

In backfilling the pipe trench, the service lateral must be protected against injury by carefully hand tamping the ground filling around the pipe. There should be at least 6 inches of ground filling over the pipe, and it should be free from hard lumps, rocks, stones, or other injurious material.

WATER UTILITY OPERATING RULES

Service Laterals (continued)

All water service laterals shall be of undiminished size from the street main into the point of meter placement. Beyond the meter outlet valve, the piping shall be sized and proportioned to provide, on all floors, at all times, an equitable distribution of the water supply for the greatest probable number of fixtures or appliances operating simultaneously.

Replacement and Repair of Service Laterals

The service lateral from the main to and through the curb stop will be maintained and kept in repair and, when worn out, replaced at the expense of the water utility. The property owner shall maintain the service lateral from the curb stop to the point of use.

If an owner fails to repair a leaking or broken service lateral from the curb to the point of metering or use within such time as may appear reasonable to the water utility after notification has been served on the owner by the water utility, the water will be shut off and will not be turned on again until the repairs have been completed.

Abandonment of Service

If a property owner changes the use of a property currently receiving water service such that water service will no longer be needed in the future, the water utility may require the abandonment of the water service at the water main. In such case, the property owner may be responsible for all removal and/or repair costs, including the water main and the utility portion of the water service lateral.

Charges for Water Wasted Due to Leaks

See Wis. Admin. Code § PSC 185.35.

Thawing Frozen Service Laterals

See Wis. Admin. Code § PSC 185.88.

Curb Stop Boxes

The curb stop box is the property of the water utility. The water utility is responsible for its repair and maintenance. This includes maintaining, through adjustment, the curb stop box at an appropriate grade level where no direct action by the property owner or occupant has contributed to an elevation problem. The property owner is responsible for protecting the curb stop box from situations that could obstruct access to it or unduly expose it to harm. The water utility shall not be liable for failure to locate the curb stop box and shut off the water in case of a leak on the owner’s premises.

WATER UTILITY OPERATING RULES

Installation of Meters

Meters will be owned, furnished, and installed by the water utility or a utility-approved contractor and are not to be disconnected or tampered with by the customer. All meters shall be so located that they shall be protected from obstructions and permit ready access for reading, inspection, and servicing, such location to be designated or approved by the water utility. All piping within the building must be supplied by the owner. Where additional meters are desired by the owner, the owner shall pay for all piping. Where applicable, see Schedule Am-1 for rates.

Repairs to Meters

Meters will be repaired by the water utility, and the cost of such repairs caused by ordinary wear and tear will be borne by the water utility.

Repair of any damage to a meter resulting from the carelessness of the owner of the premises, owner's agent, or tenant, or from the negligence of any one of them to properly secure and protect same, including any damage that may result from allowing a water meter to become frozen or to be damaged from the presence of hot water or steam in the meter, shall be paid for by the customer or the owner of the premises.

Service Piping for Meter Settings

Where the original service piping is installed for a new metered customer, where existing service piping is changed for the customer's convenience, or where a new meter is installed for an existing unmetered customer, the owner of the premises at his/her expense shall provide a suitable location and the proper connections for the meter. The meter setting and associated plumbing shall comply with the water utility's standards. The water utility should be consulted as to the type and size of the meter setting.

Turning on Water

The water may only be turned on for a customer by an authorized employee of the water utility. Plumbers may turn the water on to test their work, but upon completion must leave the water turned off.

Sprinkling Restrictions and Emergency Water Conditions

Where the municipality has a policy regarding sprinkling restrictions and/or emergency water conditions, failure to comply with such may result in disconnection of service.

See Wis. Admin. Code § PSC 185.37.

WATER UTILITY OPERATING RULES

Failure to Read Meters

Where the water utility is unable to read a meter, the fact will be plainly indicated on the bill, and either an estimated bill will be computed or the minimum charge applied. The difference shall be adjusted when the meter is again read, that is, the bill for the succeeding billing period will be computed with the gallons or cubic feet in each block of the rate schedule doubled, and credit will be given on that bill for the amount of the bill paid the preceding period. Only in unusual cases shall more than three consecutive estimated or minimum bills be rendered.

If the meter is damaged (see Surreptitious Use of Water) or fails to operate, the bill will be based on the average use during the past year, unless there is some reason why the use is not normal. If the average use cannot be properly determined, the bill will be estimated by some equitable method.

See Wis. Admin. Code § PSC 185.33.

Complaint Meter Tests

See Wis. Admin. Code § PSC 185.77.

Inspection of Premises

During reasonable hours, any officer or authorized employee of the water utility shall have the right of access to the premises supplied with service for the purpose of inspection or for the enforcement of the water utility's rules and regulations. Whenever appropriate, the water utility will make a systematic inspection of all unmetered water taps for the purpose of checking waste and unnecessary use of water.

See Wis. Stat. § 196.171.

Vacation of Premises

When premises are to be vacated, the water utility shall be notified, in writing, at once, so that it may remove the meter and shut off the water supply at the curb stop. The owner of the premises shall be liable for prosecution for any damage to the water utility's property. See "Abandonment of Service" in Schedule X-1 for further information.

Deposits for Residential Service

See Wis. Admin. Code § PSC 185.36.

WATER UTILITY OPERATING RULES

Deposits for Nonresidential Service

See Wis. Admin. Code § PSC 185.361.

Deferred Payment Agreement

See Wis. Admin. Code § PSC 185.38.

Dispute Procedures

See Wis. Admin. Code § PSC 185.39.

Disconnection and Refusal of Service

See Wis. Admin. Code § PSC 185.37.

The following is an example of a disconnection notice that the utility may use to provide the required notice to customers.

DISCONNECTION NOTICE

Dear Customer:

The bill enclosed with this notice includes your current charge for water utility service and your previous unpaid balance.

You have 10 days to pay the water utility service arrears or your service is subject to disconnection.

If you fail to pay the service arrears or fail to contact us within the 10 days allowed to make reasonable deferred payment arrangement or other suitable arrangement, we will proceed with disconnection action.

To avoid the inconvenience of service interruption and an additional charge of (amount) for reconnection, we urge you to pay the full arrears IMMEDIATELY AT ONE OF OUR OFFICES.

If you have entered into a Deferred Payment Agreement with us and have failed to make the deferred payments you agreed to, your service will be subject to disconnection unless you pay the entire amount due within 10 days.

If you have a reason for delaying the payment, call us and explain the situation.

WATER UTILITY OPERATING RULES

Disconnection and Refusal of Service (continued)

DISCONNECTION NOTICE (continued)

PLEASE CALL THIS TELEPHONE NUMBER, (telephone number), IMMEDIATELY IF:

1. You dispute the notice of delinquent account.
2. You have a question about your water utility service arrears.
3. You are unable to pay the full amount of the bill and are willing to enter into a deferred payment agreement with us.
4. There are any circumstances you think should be taken into consideration before service is discontinued.
5. Any resident is seriously ill.

Illness Provision: If there is an existing medical emergency in your home and you furnish the water utility with a statement signed by either a licensed Wisconsin physician or a public health official, we will delay disconnection of service up to 21 days. The statement must identify the medical emergency and specify the period of time during which disconnection will aggravate the existing emergency.

Deferred Payment Agreements: If you are a residential customer and, for some reason, you are unable to pay the full amount of the water utility service arrears on your bill, you may contact the water utility to discuss arrangements to pay the arrears over an extended period of time.

This time payment agreement will require:

1. Payment of a reasonable amount at the time the agreement is made.
2. Payment of the remainder of the outstanding balance in monthly installments over a reasonable length of time.
3. Payment of all future water utility service bills in full by the due date.

In any situation where you are unable to resolve billing disputes or disputes about the grounds for proposed disconnection through contacts with our water utility, you may make an appeal to the Public Service Commission of Wisconsin by calling (800) 225-7729.

(WATER UTILITY NAME)

WATER UTILITY OPERATING RULES

Collection of Overdue Bills

An amount owed by the customer may be levied as a tax as provided in Wis. Stat. § 66.0809.

Surreptitious Use of Water

When the water utility has reasonable evidence that a person is obtaining water, in whole or in part, by means of devices or methods used to stop or interfere with the proper metering of the water utility service being delivered, the water utility reserves the right to estimate and present immediately a bill for unmetered service as a result of such interference, and such bill shall be payable subject to a 24-hour disconnection of service. If the water utility disconnects the service for any such reason, the water utility will reconnect the service upon the following conditions:

A. The customer will be required to deposit with the water utility an amount sufficient to guarantee the payment of the bills for water utility service.

B. The customer will be required to pay the water utility for any and all damages to water utility equipment resulting from such interference with the metering.

C. The customer must further agree to comply with reasonable requirements to protect the water utility against further losses.

See Wis. Stat. § 943.20.

Repairs to Mains

The water utility reserves the right to shut off the water supply in the mains temporarily to make repairs, alterations, or additions to the plant or system. When the circumstances will permit, the water utility will give notification, by newspaper publication or otherwise, of the discontinuance of the water supply. No credit will be allowed to customers for such temporary suspension of the water supply.

See Wis. Admin. Code § PSC 185.87.

Duty of Water Utility with Respect to Safety of the Public

It shall be the duty of the water utility to see that all open ditches for water mains, hydrants, and service laterals are properly guarded to prevent accident to any person or vehicle, and at night there shall be displayed proper signal lighting to insure the safety of the public.

WATER UTILITY OPERATING RULES

Handling Water Mains and Service Laterals in Excavation Trenches

Contractors must call Digger's Hotline and ensure a location is done to establish the existence and location of all water mains and service laterals as provided in Wis. Stat. § 182.0175. Where water mains or service laterals have been removed, cut, or damaged during trench excavation, the contractors must, at their own expense, cause them to be replaced or repaired at once. Contractors must not shut off the water service laterals to any customer for a period exceeding 6 hours.

Protective Devices

A. Protective Devices in General: The owner or occupant of every premise receiving water supply shall apply and maintain suitable means of protection of the premise supply and all appliances against damage arising in any manner from the use of the water supply, variation of water pressure, or any interruption of water supply. Particularly, such owner or occupant must protect water-cooled compressors for refrigeration systems by means of high and/or low pressure safety cutout devices. There shall likewise be provided means for the prevention of the transmission of water ram or noise of operation of any valve or appliance through the piping of their own or adjacent premises.

B. Relief Valves: On all "closed systems" (i.e., systems having a check valve, pressure regulator, reducing valve, water filter, or softener), an effective pressure relief valve shall be installed at or near the top of the hot water tank or at the hot water distribution pipe connection to the tank. No stop valve shall be placed between the hot water tank and the relief valve or on the drain pipe. See applicable plumbing codes.

C. Air Chambers: An air chamber or approved shock absorber shall be installed at the terminus of each riser, fixture branch, or hydraulic elevator main for the prevention of undue water hammer. The air chamber shall be sized in conformance with local plumbing codes. Where possible, the air chamber should be provided at its base with a valve for water drainage and replenishment of air.

Cross-Connections

Every person owning or occupying a premise receiving municipal water supply shall maintain such municipal water supply free from any connection, either of a direct or of an indirect nature, with a water supply from a foreign source or of any manner of connection with any fixture or appliance whereby water from a foreign supply or the waste from any fixture, appliance, or waste or soil pipe may flow or be siphoned or pumped into the piping of the municipal water system.

See Wis. Admin. Code § NR 811.09.

OAK CREEK WATER AND SEWER UTILITY

Customer Water Bill Comparison at Present and Authorized Rates

			Quarterly			Quarterly Including Public Fire Protection		
Customer Type	Meter Size (Inches)	Volume (1000 Gallons)	Bills at Old Rates	Bills at New Rates	Percent Change	Bills at Old Rates	Bills at New Rates	Percent Change
Small Residential	5/8	8	$ 43.31	$ 51.52	19%	$ 60.92	$ 71.74	18%
Average Residential	5/8	15	$ 62.28	$ 73.85	19%	$ 79.89	$ 94.07	18%
Large Residential	5/8	30	$ 102.93	$ 121.70	18%	$ 120.54	$ 141.92	18%
Commercial	5/8	56	$ 173.39	$ 204.64	18%	$ 191.00	$ 224.86	18%
Commercial	3/4	75	$ 224.88	$ 265.25	18%	$ 242.49	$ 285.47	18%
Commercial	1	111	$ 334.80	$ 393.09	17%	$ 378.37	$ 443.49	17%
Commercial	1	200	$ 575.99	$ 677.00	18%	$ 619.56	$ 727.40	17%
Public Authority	1 1/2	333	$ 967.32	$ 1,139.27	18%	$ 1,054.77	$ 1,240.37	18%
Public Authority	1	400	$ 1,117.99	$ 1,315.00	18%	$ 1,161.56	$ 1,365.40	18%
Commercial	2	600	$ 1,721.79	$ 2,026.00	18%	$ 1,861.46	$ 2,187.70	18%
Public Authority	6	800	$ 2,724.20	$ 3,174.00	17%	$ 3,598.67	$ 4,184.40	16%
Public Authority	2	1,000	$ 2,805.79	$ 3,302.00	18%	$ 2,945.46	$ 3,463.70	18%
Commercial	4	1,500	$ 4,343.10	$ 5,102.00	17%	$ 4,778.79	$ 5,607.20	17%
Industrial	6	2,000	$ 5,976.20	$ 7,002.00	17%	$ 6,850.67	$ 8,012.40	17%
Commercial	2	2,500	$ 6,870.79	$ 8,087.00	18%	$ 7,010.46	$ 8,248.70	18%
Industrial	3	3,500	$ 9,654.95	$ 11,361.00	18%	$ 9,917.60	$ 11,664.00	18%
Industrial	8	4,000	$ 11,736.10	$ 13,758.00	17%	$ 13,132.78	$ 15,374.70	17%
Industrial	6	30,000	$ 61,636.20	$ 75,862.00	23%	$ 62,510.67	$ 76,872.40	23%

OAK CREEK WATER AND SEWER UTILITY

Schedule of Depreciation Rates
Effective January 1, 2012

Account Number	Class of Plant	Deprec. Rate
	SOURCE OF SUPPLY PLANT	
313	Lake, River, and Other Intakes	1.7%
314	Wells and Springs	2.9%
316	Supply Mains	1.8%
	PUMPING PLANT	
321	Structures and Improvements	3.2%
323	Other Power Production Equipment	4.4%
325	Electric Pumping Equipment	4.4%
328	Other Pumping Equipment	4.4%
	WATER TREATMENT PLANT	
331	Structures and Improvements	3.2%
332	Sand and Other Media Filtration Equipment	3.3%
334	Other Water Treatment Equipment	6.0%
	TRANSMISSION AND DISTRIBUTION PLANT	
342	Distribution Reservoirs and Standpipes	1.9%
343	Transmission and Distribution Mains	1.3%
345	Services	2.9%
346	Meters	5.5%
348	Hydrants	2.2%
	GENERAL PLANT	
390	Structures and Improvements	2.9%
391	Office Furniture and Equipment	5.8%
391.1	Computer Equipment	26.7%
392	Transportation Equipment	13.3%
393	Stores Equipment	5.8%
394	Tools, Shop and Garage Equipment	5.8%
395	Laboratory Equipment	5.8%
396	Power Operated Equipment	7.5%
397	Communication Equipment	15.0%
397.1	Communication Equipment-SCADA	9.2%
398	Miscellaneous Equipment	5.8%